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FISCAL IMPACT STATEMENT

LS 6619

BILL NUMBER: SB 246

NOTE PREPARED: Jan 1, 2013

BILL AMENDED:

SUBJECT: Certification of Controlled Drug Clinics.

FIRST AUTHOR: Sen. Grooms

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires a controlled drug clinic to be certified by the Medical Licensing Board (MLB). The bill sets forth requirements for controlled drug clinics.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Summary-* The Medical Licensing Board would have additional responsibilities to regulate controlled drug clinics. The Professional Licensing Agency (PLA) is the agency that staffs meetings of the MLB. The development of rules and the criteria under which an entity may be considered a controlled drug clinic could require additional meetings of the MLB. As a result, PLA staff assigned to the MLB may require more time away from other duties to staff additional meetings. MLB members would earn per diem, subsistence, and mileage reimbursement for each additional meeting.

Attorney General- The Attorney General (AG) could petition the MLB to inspect annually any facility considered to be a controlled drug clinic for certification purposes. Any inspection action taken would depend on the decisions made by the MLB.

Professional Licensing Agency- PLA would have the task to process certifications for controlled drug clinics. The PLA would likely be able to accomplish certification administration for controlled drug clinics within existing resources.

Background Information- A member of a professional board who is not a state employee is entitled to a \$50

per diem and \$39 subsistence (if an overnight stay is warranted.) Additional meeting costs include preparation of information packets for members, including printing and postage.

Explanation of State Revenues: Summary- The bill would generate an indeterminable amount of revenue from certification fees. The amount of revenue generated would depend on the fee level set and the criteria used to determine what facility would be considered a controlled drug clinic by the MLB for certification purposes. The bill requires that the certification fee is to be set at a level that would be sufficient to cover the expenditures required to certify controlled drug clinics and enforce requirements under the bill.

Regulation Fund- Fee revenue would be placed in the nonreverting Controlled Drug Clinic Regulation Fund created by the bill.

Civil Penalties- The MLB would have the option of assessing civil penalties against a controlled drug clinic in violation of the bill's provisions. The maximum amount assessed would be \$10,000. Civil penalties would be deposited in the state General Fund.

Background Information- Kentucky adopted legislation to regulate similar facilities earlier in 2012. Their Inspector General had identified 44 "pain management clinics" in the state. As a result of the Kentucky legislative effort, 10 of those clinics were shut down. Several major hospitals and outpatient centers in Indiana have pain management clinics. U.S. Census Bureau county business patterns data reports that in 2010 Indiana had 162 "other" outpatient care centers. The number of these "other" centers having a pain management clinic is unknown.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Medical Licensing Board; Attorney General; Professional Licensing Agency.

Local Agencies Affected:

Information Sources: U.S. Bureau of Census 2010 Indiana County Business Patterns; Associated Press article published October 16, 2012, via: www.kentucky.com.

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